

## WOMEN ENTREPRENEURSHIP IN INDIA

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### ABSTRACT

An entrepreneur is someone that organizes, manages, and assumes the risk of a business enterprise. Today, more women are breaking free from the traditional, gender-specific roles and venturing into the business world. Not only are they holding high corporate positions but they are also successful women entrepreneurs. The steady rise in female entrepreneurs can be due to many different reasons, most of which share the same rationale as their male counterparts—passion for their ideas, the desire to become their own boss, and the need to address philanthropic causes.

Women entrepreneurship needs to be studied separately for three main reasons. The first reason is that the topic of women in entrepreneurship has been largely neglected both in society in general and in the social sciences. A second reason concerns the sectoral issue: not only have women lower participation rates in entrepreneurship than men, but they also generally choose to start and manage firms in different industries than men tend to do. The third reason is that women's entrepreneurship has been recognized during the last decade as an important untapped source of economic growth. Women entrepreneurs create new jobs for themselves and others and by being different also provide society with different solutions to management, organization and business problems as well as to the exploitation of entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs. Thus there exists a market failure discriminating against women's possibility to become entrepreneurs and their possibility to become successful entrepreneurs. This paper aims to explore the Purpose, Problems & Prospects of women entrepreneurship

**KEYWORDS:** Women Entrepreneurship, Un Tapped Source, Entrepreneurial Opportunities

“To awake the people it is the women who should be awakened first. Once she is on the move the family moves ...the nation moves”. There is a need for changing the mindset towards women so as to give equal rights as enshrined in the constitution”. The first Prime Minister of India Pandit Jawaharlal Nehru

### INTRODUCTION

In this dynamic world, women entrepreneurs are an important part of the global quest for sustained economic development and social progress. In India, though women have played a key role in the society, their entrepreneurial ability has not been properly tapped due to the lower status of women in the society. It is only from the Fifth Five Year Plan (1974-78) onwards that their role has been explicitly recognized with a marked shift in the approach from women welfare to women development and empowerment. The development of women entrepreneurship has become an important aspect of our plan priorities. Several policies and programs are being implemented for the development of women entrepreneurship in India.

### CONCEPT OF WOMEN ENTREPRENEURS

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. The Government of India has defined women entrepreneurs as - an enterprise owned and controlled by women having a minimum financial interest of 51 per cent of the capital and giving at least 51 per cent of the

employment generated in the enterprise to women. Women entrepreneurs engaged in business due to push and pull factors which encourage women to have an independent occupation and stand on their own legs. A sense towards independent decision-making on their life and career is the motivational factor behind this urge. Saddled with household chores and domestic responsibilities women want to get independence. Under the influence of these factors the women entrepreneurs choose a profession as a challenge and as an urge to do something new. Such a situation is described as pull factors. While in push factors women engaged in business activities due to family compulsion and the responsibility is thrust upon them.

## OBJECTIVES OF THE STUDY

- To explore what factors (Push/Pull) mostly influence women to start business
- To identify the problems encountered by women entrepreneurs.
- To know efforts towards Women Entrepreneurs in India

## METHODOLOGY OF STUDY

The study focuses on extensive study of Secondary data collected from various books, National & international Journals, Research publications and Reports from Government Departments, Official websites of different departments which focused on various aspects of Women Entrepreneurship.

### Factors Influence Women in Entrepreneurship

Women entrepreneurs are growing rapidly around the globe. The percentage is increasing every year. However there are many factors leading women to become entrepreneurs. These factors could be classified into two basic categories, Pull and Push factors.

Here are some pull factors leading to entrepreneurship in women. Self-determination is the most important factor which leads to this dynamic activity. If any woman is determined to stand on her own, have desire to accept challenges and can withstand the problems she could possibly face in a male dominating world, she surely is a successful entrepreneur. However many researchers have shown that family support and division and acceptability of household responsibility between the spouse is one conditional factor that can make woman, an entrepreneur. Personal growth, learning and adventurous attitude, inner strength and self-achievement all fruitful factors to pull a woman in world of entrepreneurs.

Many women prefer to be entrepreneurs because of the flexible work timings. As in routine 9 a.m. to 5 p.m. working hours, a woman may face job stress, negative job commitment and mental burn out. So in order to avoid this situation they may take a step to start up their own businesses. Researchers have also shown that entrepreneurial drive is also important pull factor not only to make woman an entrepreneur by title but also by achievement. Some women desire to attain social status and independence as a result they choose this path. Women with creative minds want to bring change or come into entrepreneurship world with objective to make the difference. Influential role models and successful business persons in family are the factors that pull the women to become entrepreneurs. These are main pull factors that lead woman to entrepreneurship. However these factors are normally seen in the developed countries of America, Europe. Australia and in some parts of Asia, such as China, Japan etc.

In under developed and developing countries, the women who face number of social and economic problems may not be pulled for entrepreneurial drives. They are being pushed by the circumstances to start up their businesses. It is seen that many working women have to quit their jobs and win bread by entrepreneurial means. Failure to maintain work life

balance, gender inequality, threats and cases of harassment, stressful working hours may force the women to leave their jobs and start entrepreneurship.

In many organizations the women on equal posts with men are being under paid which causes frustration and job dissatisfaction. Glass ceiling and glass wall effect which do not allow women to expand in career are root cause. Moreover, exclusion from net working in many offices let women make such decisions. Other factors may be, less access to relevant training, stereotyping, and difficulty in finding jobs, organization politics and hostile. Frequent lay off during the period of recession all the push factors that make women an entrepreneur.

Poverty and in sufficient family income are also the factors that compel women to come into markets and start their own businesses. Frustration, conflict with management in offices or bad terms with life partner may also make woman an entrepreneur. In UDCs women are less educated so they fail to find some respectable job, furthermore, inflation and difficulty in running house by sole bread earner can let woman to get her engaged in entrepreneurial activities. Many women start their own businesses when the earner of their family deceases. They have to support rest of the members. Unwilling natural succession may lead to entrepreneurship but this is very rare and is seen only in few families of upper class group.

## **PROBLEMS OF WOMEN ENTREPRENEURS**

### **General Obstacles**

The lack of role models in entrepreneurship. There exists a strong connection between the presence of role models and the emergence of entrepreneurs (Shapero&Sokol, 1982) and women as they historically have not been present as entrepreneurs in general lack close role models.

### **Lack of Experience**

All stages in entrepreneurship are dependent on relevant experience, from the identification of opportunities to the execution of running a business. Human capital theory posits that individuals with more or higher quality human capital achieve higher performance in executing relevant tasks (Becker, 1975). Human capital refers here to the knowledge and skills that assist people in successfully discovering and exploiting opportunities (cf. Davidsson&Honig, Forthcoming; Snell and Dean, 1992).

### **Lack of Relevant Networks And of Societal Position**

Women have in general a lower social position than men, which affects the kind of networks they can access or are part of. There is evidence to prove that women are less involved in networks than men are, and their type of network is different.

### **Lack of Wealth**

A prerequisite for starting a firm is to have capital in terms of financial assets and in terms of relevant knowledge assets. Women's position in society has led to a lack of assets in both these aspects. The constraints of family obligations make it harder for women to take on work on a full time basis and to engage in a career

### **Competing Demands on Time**

Another recurring obstacle for women to engage in entrepreneurship is the perceived lack of time or competing demands on time. Because women are responsible for so many different domestic chores and the raising of children, they do not have enough freetime to develop either their entrepreneurial skills to become entrepreneurs or to develop an existing business.

## OBSTACLES SPECIFIC TO STARTING NEW FIRMS

### External Finance and Sex Discrimination

In general, women have lower personal financial assets than men. This means that for a given opportunity and equally capable individual, women must secure additional resources compared to men in order to exploit the opportunity because they control less capital.

First, it is very difficult to construct studies that are actually able to tease out whether refusal to offer finance is actually based on sexual discrimination. Sexual discrimination occurs when an action is taken based upon the sex of the person. That is, in this case women have a lower probability to receive external funding because of their sex.

Second, four areas have been identified as potential or real problems for women when it comes to financing: a) women may be disadvantaged in raising the initial capital to start a new firm; b) collateral needed for external financing may be above the wealth level of most women; c) finance for an existing firm may be less available, because women are less likely than men to penetrate informal financial networks; d) women entrepreneurs' relationship with different financial institutions might suffer because of gender stereotyping and discrimination.

Third, results indicate that women still perceive a negative attitude from financial institutions such as banks and other lending institutions. This negative attitude, it is argued, arises due to two possible reasons as discussed in the literature: a) women are not viewed as entrepreneurs due to the attitudes formed by traditional gender roles; b) women engage in industries that the financial institutions are not used to handle (as personal services, care, etc.). Also in the personal networks and the family it is harder for women to find financial resources to start a business.

## EFFORTS TOWARDS WOMEN ENTREPRENEURS IN INDIA

Right efforts on from all areas are required in the development of women entrepreneurs and their greater participation in the entrepreneurial activities. Following efforts can be taken into account for effective development of women entrepreneurs.

- Consider women as specific target group for all developmental programmes.
- Better educational facilities and schemes should be extended to women folk from government part.
- Adequate training programme on management skills to be provided to women community.
- Encourage women's participation in decision-making.
- Vocational training to be extended to women community that enables them to understand the production process and production management.
- Skill development to be done in women's polytechnics and industrial training institutes. Skills are put to work in training-cum-production workshops.
- Training on professional competence and leadership skill to be extended to women entrepreneurs.
- Training and counselling on a large scale of existing women entrepreneurs to remove psychological causes like lack of self-confidence and fear of success.
- Counselling through the aid of committed NGOs, psychologists, managerial experts and technical personnel should be provided to existing and emerging women entrepreneurs.

- Continuous monitoring and improvement of training programmes.
- Activities in which women are trained should focus on their marketability and profitability.
- Making provision of marketing and sales assistance from government part.
- To encourage more passive women entrepreneurs the Women training programme should be organised that taught to recognize her own psychological needs and express them.
- State finance corporations and financing institutions should permit by statute to extend purely trade related finance to women entrepreneurs.
- Women's development corporations have to gain access to open-ended financing.
- The financial institutions should provide more working capital assistance both for small scale venture and large scale ventures.
- Making provision of micro credit system and enterprise credit system to the women entrepreneurs at local level.
- Repeated gender sensitisation programmes should be held to train financiers to treat women with dignity and respect as persons in their own right.
- Infrastructure, in the form of industrial plots and sheds, to set up industries is to be provided by state run agencies.
- Industrial estates could also provide marketing outlets for the display and sale of products made by women.
- A Women Entrepreneur's Guidance Cell set up to handle the various problems of women entrepreneurs all over the state.
- District Industries Centres and Single Window Agencies should make use of assisting women in their trade and business guidance
- Programmes for encouraging entrepreneurship among women are to be extended at local level.
- Training in entrepreneurial attitudes should start at the high school level through well-designed courses, which build confidence through behavioural games.
- More governmental schemes to motivate women entrepreneurs to engage in small scale and large-scale business ventures.
- Involvement of Non Governmental Organisations in women entrepreneurial training programmes and counselling.

## CONCLUSIONS

Independence brought promise of equality of opportunity in all sphere to the Indian women and laws guaranteeing for their equal rights of participation in political process and equal opportunities and rights in education and employment were enacted. But unfortunately, the government sponsored development activities have benefited only a small section of women. The large majority of them are still unaffected by change and development activities have benefited only a small section of women i.e. the urban middle class women. The large majority of them are still unaffected by change and

development. The reasons are well sighted in the discussion part of this article. It is hoped that the suggestions forwarded in the article will help the entrepreneurs in particular and policy-planners in general to look into this problem and develop better schemes, developmental programmes and opportunities to the women folk to enter into more entrepreneurial ventures.

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